

Neighborhood(s) change

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Three starting points

- Neighborhoods matter
- Neighborhoods change
- Neighborhoods are markets

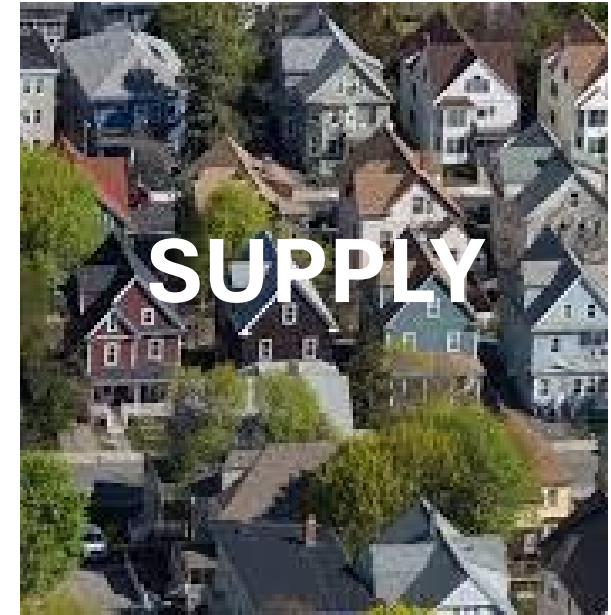
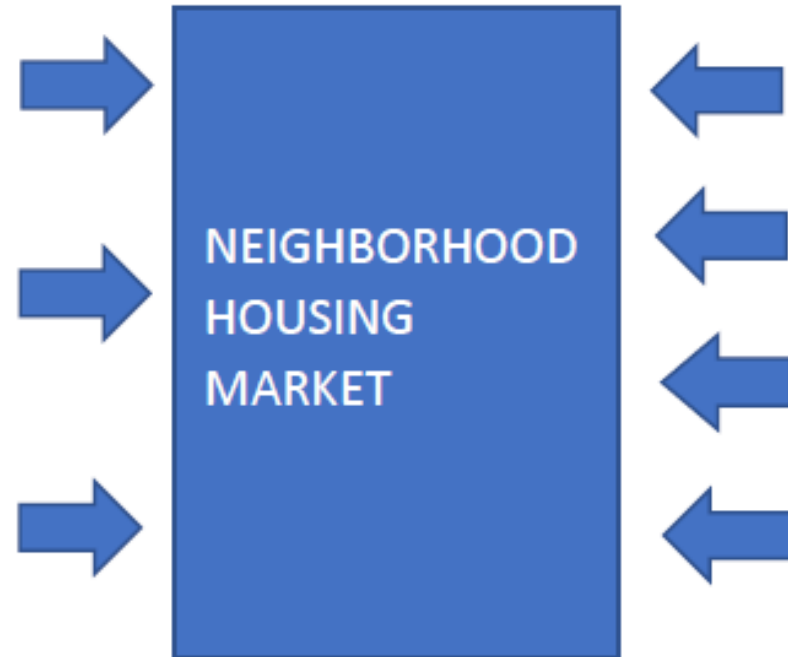


Neighborhoods constantly change

- People move in and out of neighborhoods all the time.
- When the people moving in are different from the people moving out, neighborhoods changes.
- They can change economically (by income or wealth) or demographically (by age, family type, race or ethnicity).
- No neighborhood (except perhaps the poorest and wealthiest) stays the same for long.



What drives neighborhood change 1



What drives neighborhood change 2

EXTERNAL FORCES

In-migration



Internal demand



Job and business growth



Competing sources of housing



INTERNAL FEATURES

Location



Housing supply



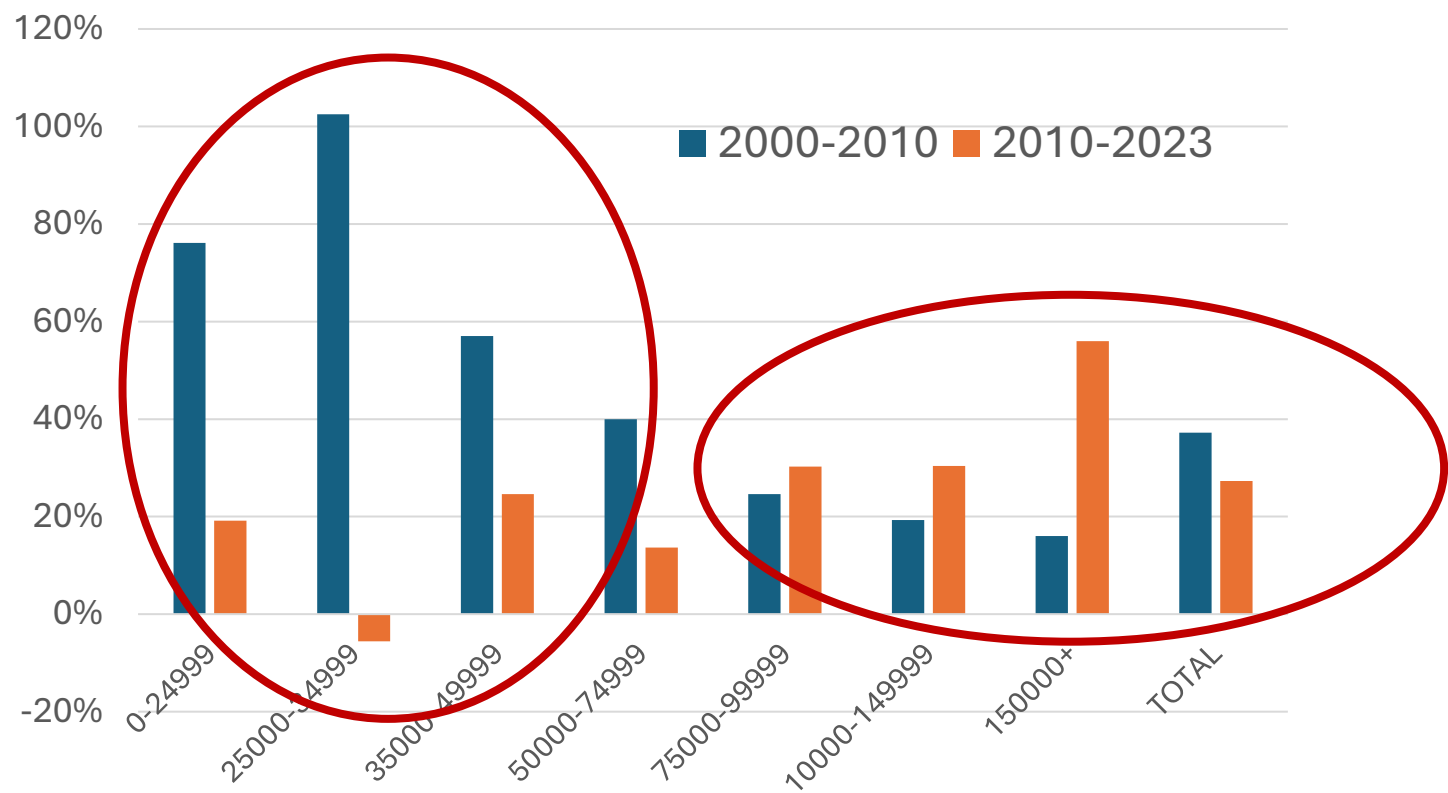
Neighborhood amenities



Neighborhood stability



A quick look at Raleigh 1

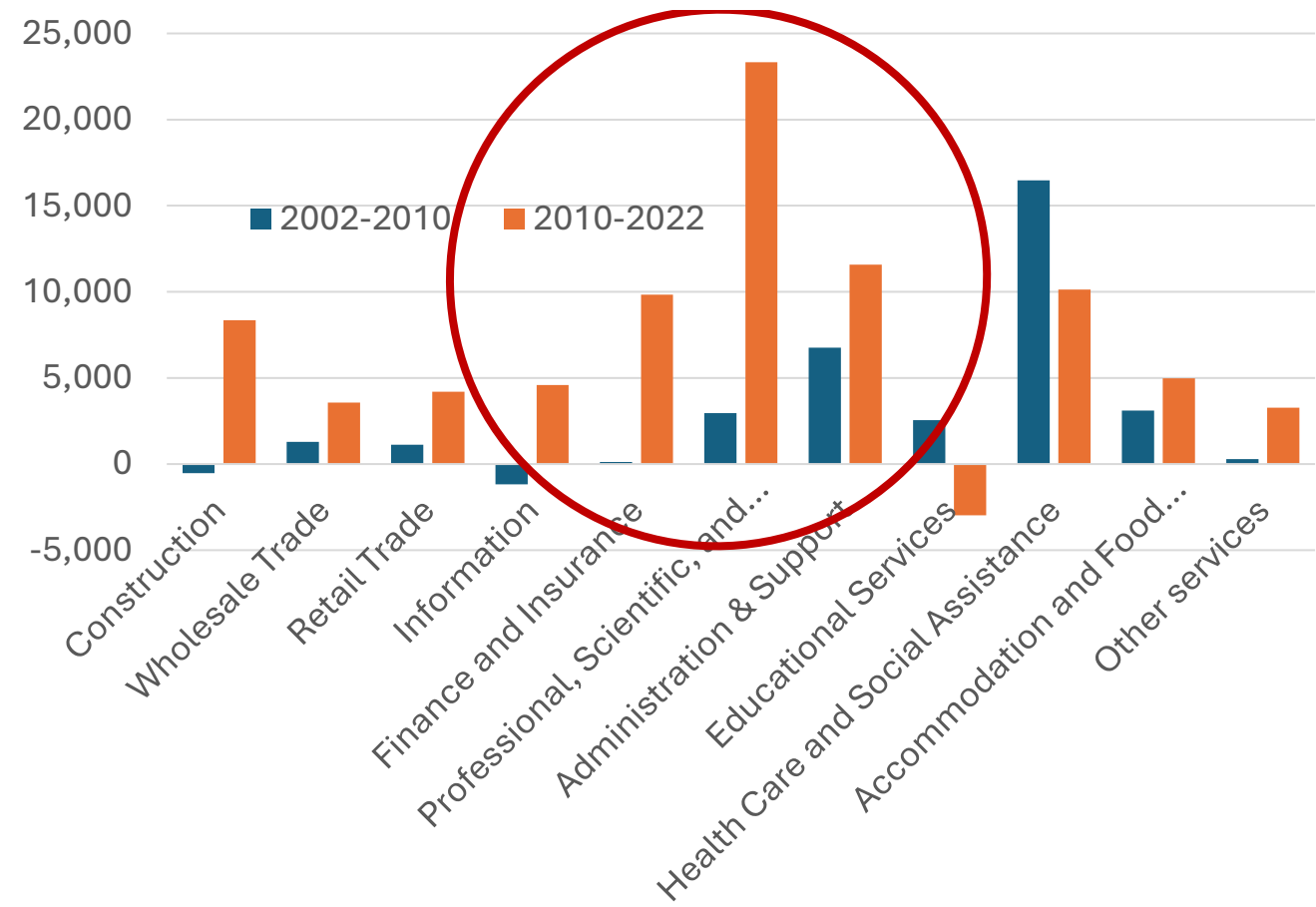


Population change by
income range
2000-2010 and 2010-
2023

All figures in 2023 dollars

A quick look at Raleigh 2

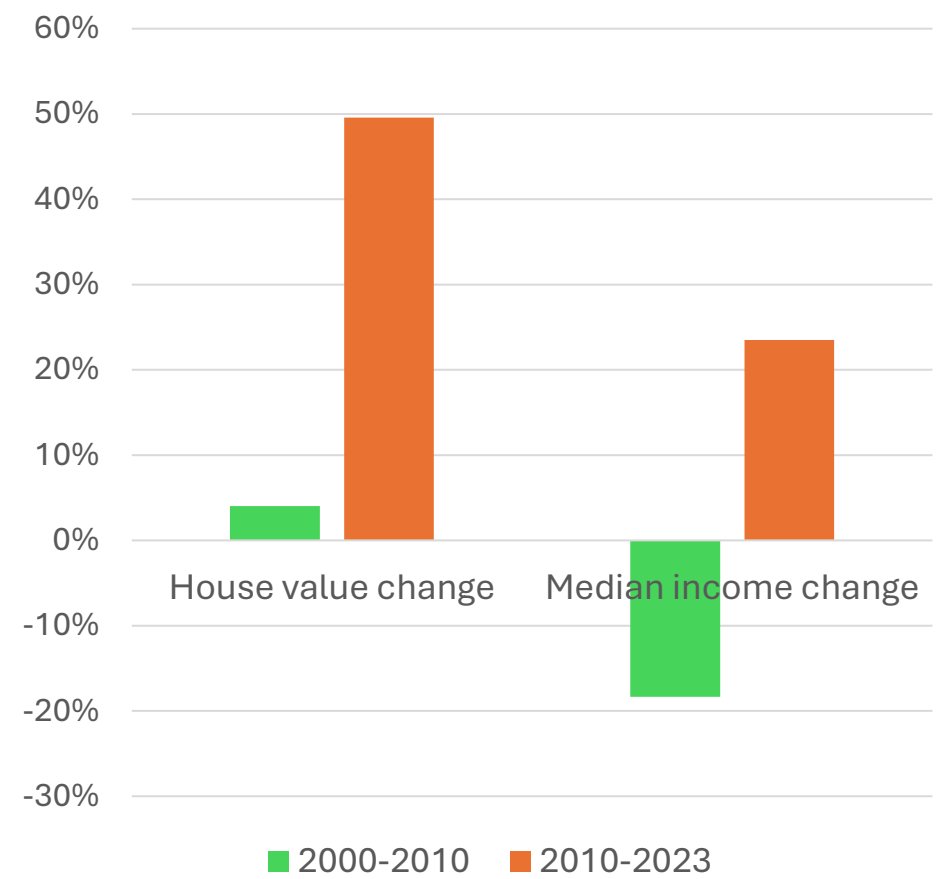
- Change in jobs by sector 2002-2010 and 2010-2022



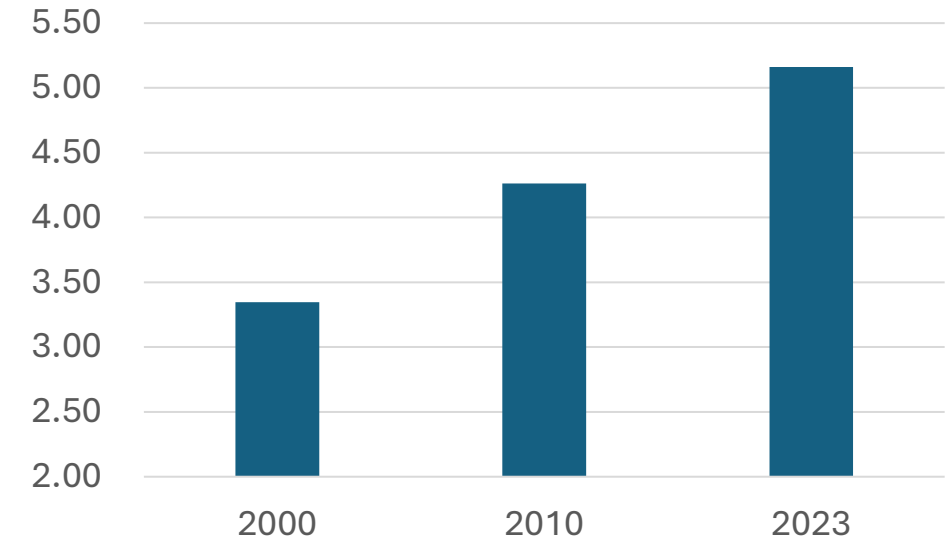
Average annual job growth

2002-2010	4256
2010-2022	7101

A quick look at Raleigh 3



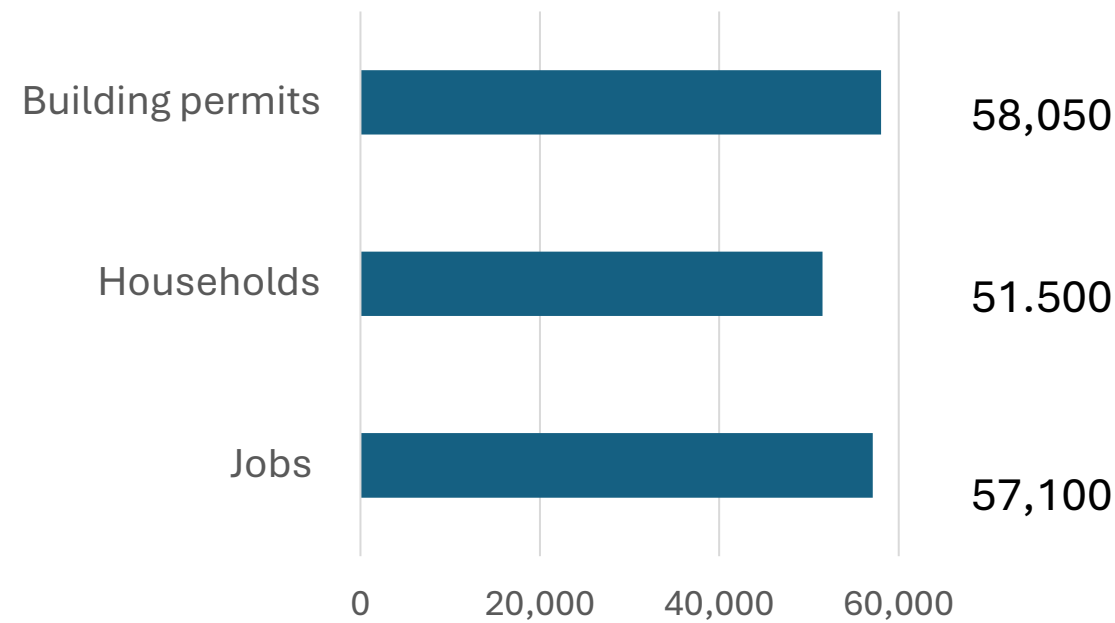
Ratio of median house value to median household income



All figures in 2023 dollars adjusted for inflation

A quick look at Raleigh 4

Change 2010-2023

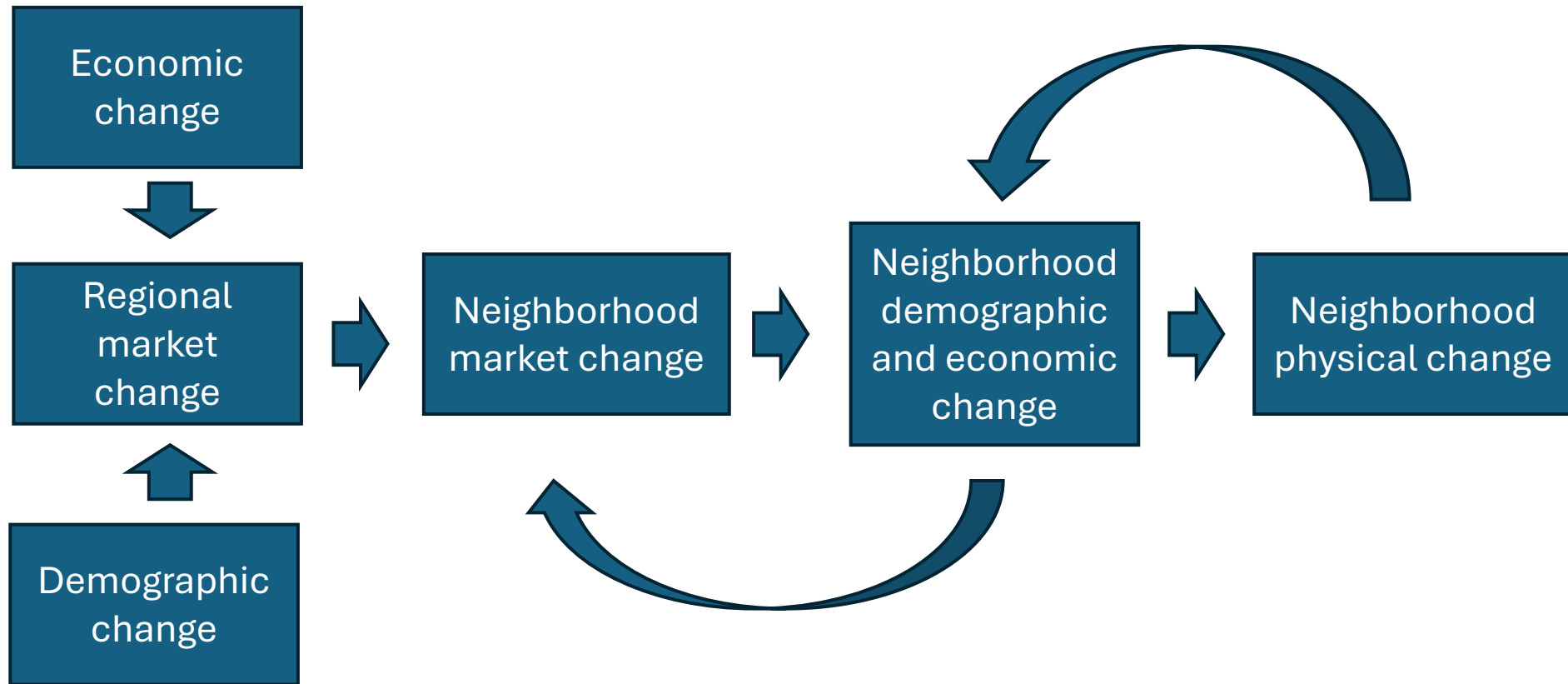


2023 jobs estimate extrapolated from 2010-2022 data

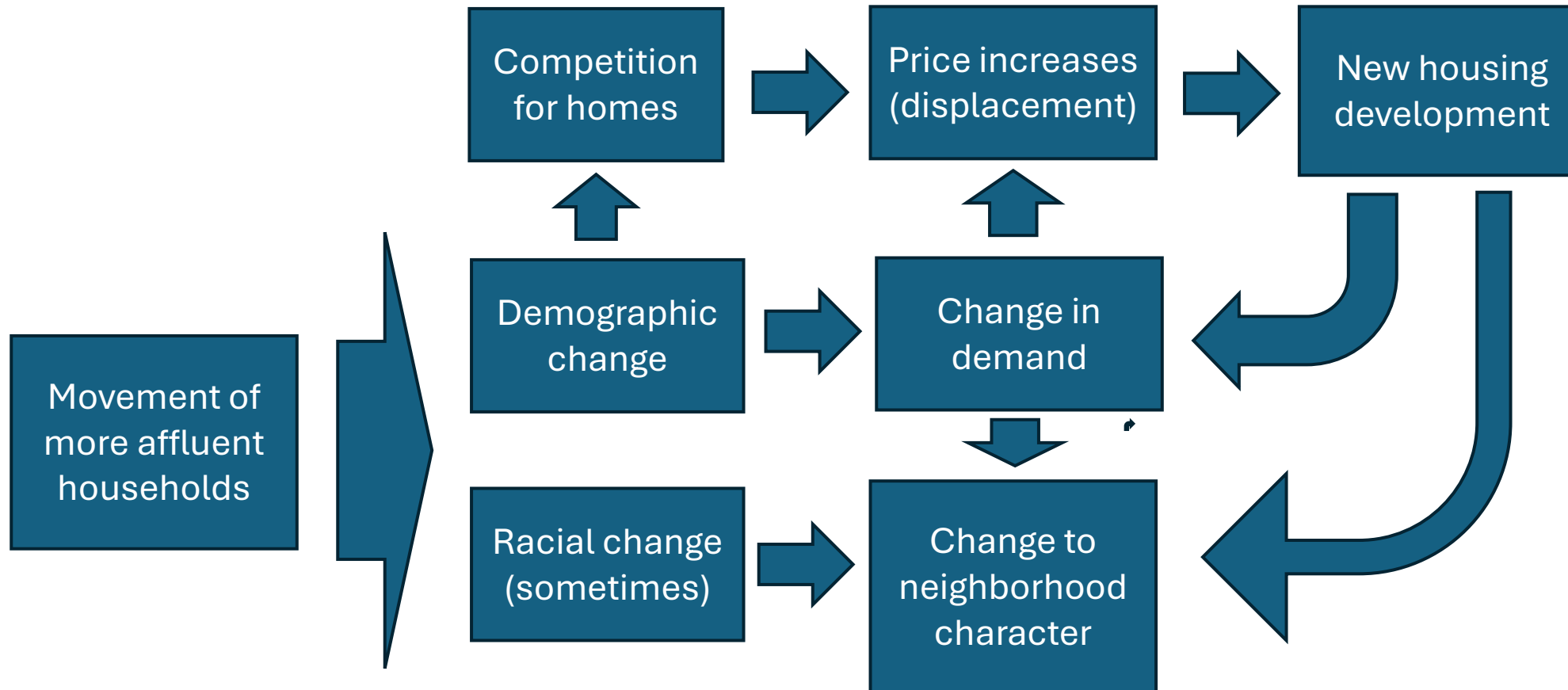
Median house value as a multiple of median household income (Raleigh and peer cities)

San Francisco	10.17
Seattle	7.37
Denver	6.83
Portland OR	6.42
Raleigh	5.40

The process of change



The G word



Gentrification changes everything

BEFORE

Older families

Low or moderate
income

Family and
traditional lifestyle

High school
graduates



AFTER

Young singles and couples

Middle and
upper income

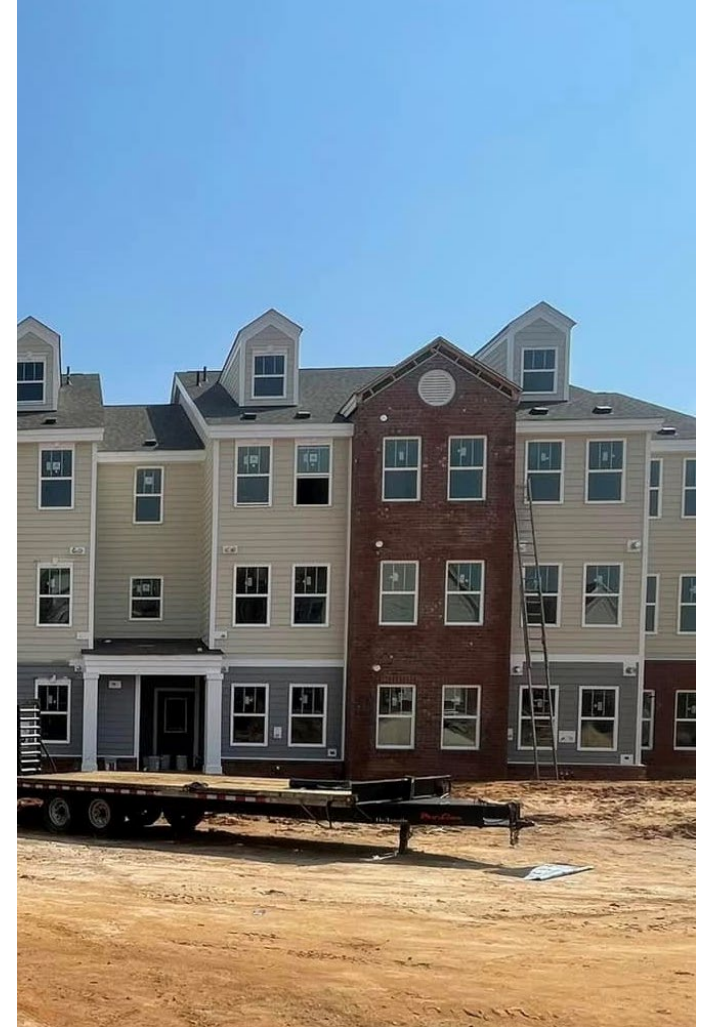
'cultural class' lifestyle

College graduates

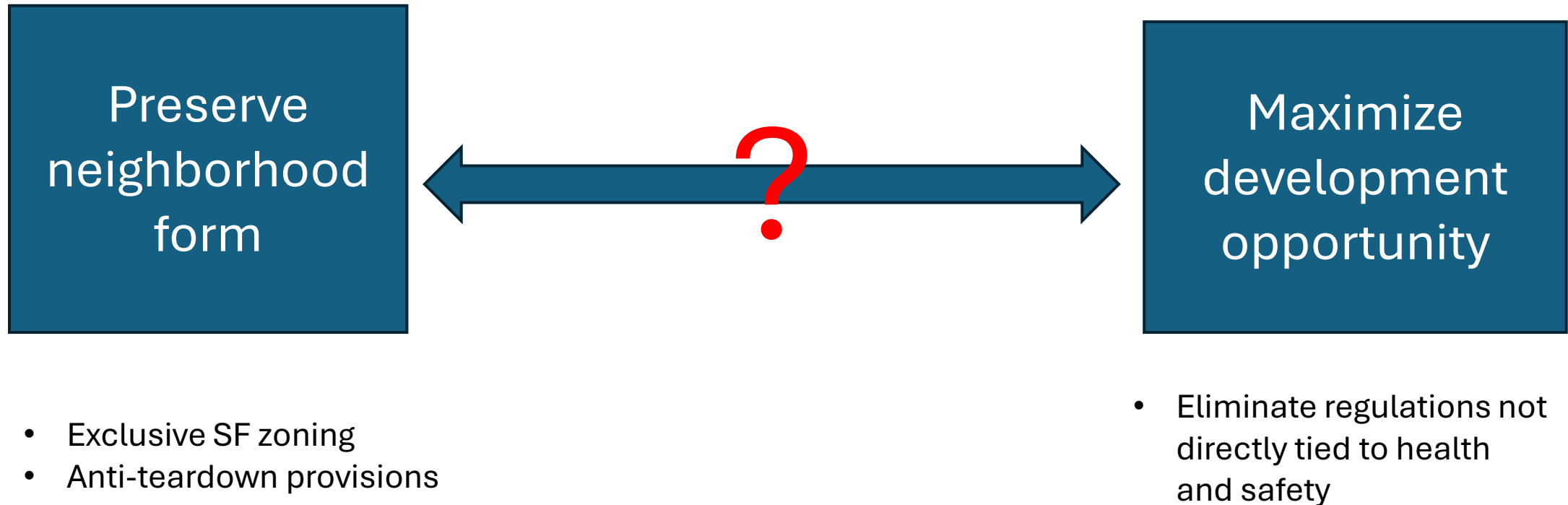


Moving forward

- Neighborhood change in Raleigh is driven by demographic and economic forces – the city has few policy levers to change its trajectory.
- Land use strategies should focus on maintaining high level of housing production – maximizing affordable housing units, but not limiting other development
- It's not just about land use: many key strategies are not land use strategies



Land use regulation falls on a continuum



Teardowns: good or bad?

- Maximizes equity for existing homeowners

BUT

- May accelerate neighborhood transformation



Maximize development opportunities

- Moderates price increases at regional level
BUT
- May accelerate price increases in some neighborhoods



Leverage limited public resources

- Maximize affordable housing in changing neighborhoods.
- Provide inclusionary zoning incentives
- Encourage accessory dwelling units
- Incentivize tiny homes and cottage courts



It's not just about land use

- Assist lower-income and older homeowners
- Preserve older multifamily housing and homes of lower income tenants
- Build bridges between people in changing neighborhoods
- **Maximize economic opportunity for lower-income city residents**



Thank you

Alan Mallach

